



The Coronavirus Business Support Scheme - December Disruption Scheme

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Guidance

ISSUED BY THE DEPARTMENT FOR ENTERPRISE

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Introduction and background

The Department for Enterprise's Coronavirus Business Support Scheme - December Disruption Scheme ("the Scheme") was established in January 2022 to provide grant assistance to support local, customer facing businesses in designated sectors that have been financially affected by the latest COVID-19 Omicron variant developments in the Isle of Man. The Scheme was created to assist eligible businesses and self-employed persons whose turnover has been materially impacted during December 2021 when compared to either December 2019 or December 2020. Given the impact of inflation over the course of the pandemic, the **required reduction in turnover has been reduced to 18.6%** for all eligible businesses and self-employed persons. Additionally, where a business declares that it has been impacted by increased staff costs over the same comparison period, the required turnover reduction will be **further reduced to 15%**.

It is intended that the grant provided will help eligible businesses to continue trading throughout the winter/spring period, namely January 2022 to 31st March 2022 and beyond.

The Scheme is made under the Coronavirus Business Support Scheme 2020 (CBSS).

The Scheme is made by the Department for Enterprise, with the concurrence of the Treasury, under the Financial Provisions and Currency Act 2011 (FPCA). A copy of the FPCA can be found at https://legislation.gov.im/cms/images/LEGISLATION/PRINCIPAL/2011/2011-0021/FinancialProvisionsandCurrencyAct2011_2.pdf

The Tynwald Scheme (CBSS) can be found at

https://legislation.gov.im/cms/images/LEGISLATION/SUBORDINATE/2020/2020-0156/CoronavirusBusinessSupportScheme2020_8.pdf

The latest Treasury Notice regarding the Scheme can be found at https://www.gov.im/media/1372053/treasury-notice-gc-2021_0032-final.pdf

This guidance is issued by the Department for Enterprise in accordance with paragraph 12 of the Scheme and sets out how the support is to be administered.

Note that the Department provides other forms of grants and assistance, details of which can be found at www.iomdfenterprise.im/financial-support

For further advice and guidance regarding the Department's grants and assistance schemes and the criteria for eligibility, including for this Scheme, potential applicants are encouraged to complete the online enquiry form hosted at www.gov.im/businessenquiries

Important note - Providing false, incomplete or misleading information in connection with an application under this Scheme is an offence. The maximum penalty is a fine of level 5 on the standard scale and/or six months in custody.

Important Note - Payments made under this Scheme are treated as income for Income Tax purposes and should be included in your annual tax return as taxable income. For further details please refer to <https://www.gov.im/media/1372987/pn-216-21-taxation-of-covid-19-financial-support-published.pdf>

Disclaimer

The information contained in this document is intended to be general in scope and should not be relied upon as advice.

Any offer of a grant is also subject to availability of Department funds.

The Department may amend this guidance from time to time. While every effort has been made to ensure that the content is correct and up-to-date at the time of publication, the Department does not accept any responsibility, legal or otherwise, resulting from any errors or omissions and shall not be liable for any losses or damage that anyone may suffer as a result of relying on the information contained herein.

1. THE CORONAVIRUS BUSINESS SUPPORT SCHEME - DECEMBER DISRUPTION SCHEME

1.1 Purpose and scope

The aim of the assistance is to help sustain qualifying businesses during the current difficult trading conditions with the intention that the supported businesses will continue to operate during the winter/spring period and into the future. The assistance has been provided in direct response to the latest COVID-19 developments including the recent recommendations made by the Government which may impact upon local customer facing businesses.

The support available under this Scheme is a one-off payment of up to £6,000 per business.

Important note - It should be noted that if the business closes in the short or medium term, the grant may be repayable.

In brief, eligible sectors for the purposes of this Scheme are defined as those in [Section 1.3b](#)). Additional eligibility criteria apply, please see '[1.3 Eligibility](#)' for further information.

Important note - The payment must be utilised against business expenses.

Applicants are defined (and subject to other eligibility criteria) as being one of the following: -

1. Self-employed individuals;
2. Sole traders owning a business with no staff other than the owner;
3. Partnerships where both parties are the owners and have no other employees;
4. Businesses including limited companies with no staff other than the owner(s); and
5. Businesses including limited companies with staff other than the owners.

Important note - Applications for this Scheme opened on 10th January 2022 and will close on Friday 25th February 2022 at 5:30pm. Any issues with submitted applications must be resolved by Friday 11th March 2022 at 5:30pm. Failure to resolve issues by this date will result in the application being closed and no payment will be made.

Applicants may wish to note that free of charge support is also available through the [Business Improvement Scheme's](#) (BIS), Business Advisory Service. The Department provides a consultant who can offer general business advice in addition to discussing any present issues or ideas for business change etc. The consultant will provide a short summary report. This is then followed by a shorter meeting a few months later to review progress and answer any further questions.

1.2 Overview of available support

The support available under this Scheme is a one-off payment of up to £6,000 per business.

Important note - The maximum grant available under this Scheme is £6,000. Applicants should be aware that if their turnover reduction for the comparative month (December 2019 or December 2020) is less than £6,000, eligible applicants will only receive the difference in the turnover between the two months being compared on the basis that any grant should not increase the total expected revenue.

For example, a business has turnover of £3,000 in December 2021 and is comparing against turnover of £5,500 in December 2019. In this scenario, the maximum grant payable will be £2,500.

Important note - It should be noted if the business closes in the short or medium term the grant may be repayable.

1.3 Eligibility

a) Eligible businesses

An eligible business is defined as one which is not in an excluded sector as noted in 1.3c and which has been financially affected (an 18.6% reduction in turnover for all eligible businesses, or a 15% reduction in turnover for those businesses who declare additional increased staff costs) during December 2021 when compared to either December 2019 or December 2020. The reduction in turnover must be related to ongoing pressures as a result of Covid-19 (e.g. self-isolation requirements of staff including the owners and a reduction in customer footfall) and not other business reasons e.g. scheduled holidays and planned refurbishment etc.

Important note - Turnover is defined as income received from customers and **should not** include any Government support received during this period.

b) Eligible sectors

The intention of the Scheme is to primarily support businesses in the following sectors:

- Animal Care;
- Catering;
- Education and Training;
- Entertainment;
- Healthcare;
- Hospitality;
- Leisure;
- Lifestyle sectors, including but not limited to beauty, hairdressers, gyms and personal trainers;
- Retail (excluding any retailer that is liable to pay or will be liable to pay income tax at a 10% rate under the large retailers tax for the 2019/20 income tax year); and
- Service Sector.

c) Excluded sectors

Excluded sectors are any business which falls into the below sectors:

- The Finance sector including but not restricted to:
 - Banking;
 - Insurance;
 - Fund industry including managers and administrators;
 - Accountancy services;
 - Trust and corporate service providers; and
 - Other financial services.
- Legal services;
- IT; information technology and digital;
- E-gaming etc.;
- Construction;
- Space;
- Tourism and travel;
- Visitor Accommodation (wholly or partly operated), other than registered permanent campsites without glamping facilities;
- Utilities (including gas and telecoms);
- Property Landlords;
- Public administration;
- Horticulture, farming and fishing;
- Marketing;
- Any retailer that is liable to pay or will be liable to pay income tax at a 10% rate under the large retailers' tax for the 2019/20 income tax year;
- Any business that receives a significant amount of its income from Isle of Man Government in any way and including payments for underwritten events; and
- Any constituent entity of a MNE group under the Income Tax (Country-by-Country Reporting) Regulations 2017 (total consolidated group revenue of 750 million Euros or more).

Important note - For the avoidance of doubt, businesses which provide visitor accommodation and also offer those services listed in 1.3b above in a single business entity are ineligible for this Scheme and should liaise with the Visit Agency regarding the **Strategic Capacity Scheme**.

Any business in the above excluded sectors that can prove to the satisfaction of the Chief Executive of the Department for Enterprise that it has been financially impacted during December 2021 when compared against either December 2019 or December 2020 may request special consideration. The business must be unable to meet its business overheads as a direct result of its business turnover being affected by COVID-19, which may include self-isolation requirements of staff (including the owner) or a drop in customer demand. Such a request must be made in writing stating the reasons why such an exception should be made and provide any evidence, as requested by the Department (including turnover comparisons, usual monthly overheads, implications on staffing and/or footfall etc) to support such a request.

Important note - The special consideration option is only available to businesses in ineligible sectors and cannot be used to review other eligibility criteria.

d) Eligibility criteria

This Scheme is only available to eligible applicants as defined in Section 1.3.

Only one application and payment per self-employed individual, sole trader, partnership or limited company will be permitted.

Important note - Grant applications will be made on a per business basis and not on a per premise basis.

Businesses within a group of companies, or those sharing common beneficial owners / shareholders, are eligible to apply provided each business meets the general eligibility criteria within this guidance.

In order to qualify for the Scheme and financial assistance all applicants must:

- a) Have experienced an 18.6% or more reduction in turnover during December 2021 when compared to same period in 2019 or 2020 (further reduced to 15% for those businesses who declare increased staff costs over the same period). **Important note** - New startup businesses which do not have comparable trading figures may be eligible. New startup businesses are encouraged to contact the Department prior to applying to discuss their eligibility;
- b) For a self-employed applicant only, confirm that the business is their primary source of income. Please refer to the below definition of primary source of income;
- c) To the best of its knowledge, intend to continue trading through the current difficult conditions into at least the short to mid-term future and that if the business closes the grant may be repayable;
- d) Not be in an excluded sector as outlined in the Guidance (1.3c);
- e) Have been in operation continuously for a period that commenced no later than 1st September 2021;
- f) Have annual profits or gains wholly or mainly from a relevant sector as set out in this Guidance;
- g) Not have any overdue payments of more than 3 months which are more than £3,000 relating to Income Tax, National Insurance and VAT. **Important note** - However, those applicants who engage with the Treasury to resolve their debts may be eligible for support. Applicants who may be in this situation are encouraged to apply and full tax/ITP/NI checks will be undertaken to determine the current status and eligibility; and
- h) Meet other Income Tax, NI and VAT compliance criteria.

Additional criteria specifically for self-employed applicants:

- i) Be a self-employed earner as defined by the Social Security Contributions and Benefits Act 1992¹;
- j) Have already notified the Treasury under regulation 87 of the Social Security (Contributions) Regulations 2001 of their liability to pay Class 2 National Insurance Contributions or notified the Assessor of Income Tax of any income from self-employment;
- k) Have been in operation, in the capacity specified in (i) continuously for a period that commenced no later than 1st September 2021; and
- l) Derive his or her primary source of income, other than income which may be received via a pension entitlement, from an eligible sector (ineligible sectors are listed in 1.3c).

¹ <http://www.tynwald.org.im/links/tls/socsec/ss/SocialSecurityContributionsandBenefitsAct1992.pdf>

Important note - With regards to all applicants including self-employed applicants, if you have been previously declined a Coronavirus Business Support Scheme application due to not meeting the Treasury's eligibility criteria, an application is encouraged to be submitted to enable the Treasury to re-assess the applicant's eligibility.

Important note - With regards to self-employed applicants, the primary source of income is defined as one of the following:

1. Only source of income; or
2. Main source of income; or
3. Income above £6,500.

1.4 Application process

Due to the high number of potential applicants, the Department will not be able to directly contact all potentially eligible businesses. Instead, the Scheme will be marketed widely and all information freely available on the Department's Enterprise web site.

All applicants are encouraged to carefully review their eligibility status before submitting an application.

Businesses who are unsure of their eligibility, may contact the Department by telephone on 687333 or by completing the brief online enquiry form which can be found at www.gov.im/businessenquiries

All applications must be submitted via the online electronic application form which can be found at - <https://www.iomdfenterprise.im/coronavirus/december-disruption-scheme>

Following receipt of a correctly completed and eligible application form, the Department will seek to process applications within approximately 15 working days of submission of the application. However, due to the potentially high demand levels for the Scheme and depending on the complexity of the application, the processing period may be extended.

a) Information to be supplied

All applicants must fully complete the online application form which includes:

- The applicant's details;
- Answers to all eligibility questions, specifically;
 - The sector within which the applicant operates;
 - A declaration that the business turnover has been affected as a result of the latest COVID-19 developments during December 2021 due to ;
 - The self-isolation requirements of staff (including the owner) and/or
 - A drop in customer demand.
 - A declaration the business has been financially impacted by an 18.6% or more reduction in turnover in December 2021 when compared to either December 2019 or December 2020; (please note, the further reduction to 15% is covered in the additional declaration referred to below)
 - A declaration that the applicant meets all of the eligibility criteria.
- **Important note** - Applicants must declare that they agree to supplying additional information to evidence the required downturn in turnover by supplying management accounts etc if requested to do so by the Department;
- A declaration that the business is not in immediate danger of closing;
- If applicable, a declaration that the business has staff other than the owners;
 - And a declaration that the business' staff costs have increased by 5% or more since its financial year 2019/20; (please note, this is required to enable the further turnover reduction to 15%)
- The Department's standard declarations.

b) Assessment criteria

The Department will assess each application based on the following criteria:

- Full completion of the electronic application form; and
- Eligibility.

c) Approval process

Once the Department has determined eligibility, the Department will confirm the applicant's standing with regards to Income Tax, National Insurance and VAT with Treasury. If these checks fail, the application will be rejected by the Department and the applicant will be informed via email.

All applications for a grant must be approved by a person designated by the Department.

d) Payment

The Department will authorise the payment to be made. All payments will usually be made into the applicant's business bank account approximately 5 working days following approval. Payment runs are completed twice weekly on Monday's and Thursday's, but these may differ depending if there are any Bank Holidays or if demand dictates.

e) Declined applications

Due to the high volume of expected applications, the Department will notify ineligible or rejected applicants via email stating the reasons for the refusal and where appropriate, provide information as to the manner in which a defective application may be rectified.

f) Review of decisions

If an applicant has been refused and wishes to request a review of the decision, the applicant must clearly and concisely state in writing the reasons for the decline, the reasons for the review, any measures undertaken to resolve the issue and provide any additional supporting information.

The Department must appoint an officer of the Department (other than an officer involved in the original decision) to adjudicate on the review. The review officer's adjudication will be final.

The reviewing officer will then consider whether the correct decision has been made in relation to the Tynwald Scheme and the Scheme's Guidance etc and cannot take into account hardship and personal circumstances etc.

The reviewing officer does not have the authority to make exceptional one-off decisions which do not comply with the Scheme's legislative framework.

A request for a review of a decision must be made in writing within 10 working days of the date of notification of that decision.

An application may only be reviewed once.

Review requests should be either emailed to enterprisesupport@gov.im or sent to:

The CBSS-DDS Scheme Manager,
Department for Enterprise,
St Georges Court,
Upper Church Street,
Douglas,
Isle of Man
IM1 1EX

1.5 Public disclosure

Applicants should also be aware that both parliamentary and freedom of information questions may be asked about particular applications or applicants. The Department will answer all parliamentary questions and freedom of information requests in accordance with the Freedom of Information Act 2015 and the Data Protection Act 2018.

1.6 Application form

Applicants should read the guidelines before submitting an application to the Department.

The Application Form is available at <https://www.iomdfenterprise.im/coronavirus/december-disruption-scheme>